

## Message Text

PAGE 01 LAGOS 05228 01 OF 02 271724 Z

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ACTION AF-18

INFO OCT-01 ADP-00 CU-04 AID-20 EB-11 TRSE-00 INT-08

COME-00 SCEM-02 XMB-07 SS-15 CIAE-00 INR-10 NSAE-00

RSC-01 RSR-01 /098 W

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R 271535 Z JUN 73

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 0069

C O N F I D E N T I A L SECTION 1 OF 2 LAGOS 5228

E. O. 11652: GDS

TAGS: ENRG, NI

SUBJECT: IN- SERVICE TRAINING FOR NIGERIANS IN U. S. OIL INDUSTRY

REF: STATE 109426

1. BEGIN SUMMARY: I MET WITH HEADS OF THE FIVE U. S. OIL COMPANIES CURRENTLY DOING EXPLORATION AND/ OR PRODUCTION WORK IN NIGERIA TO DISCUSS FEYIDE' S CONTINUING DESIRE PLACE YOUNG NIGERIAN UNIVERSITY GRADUATES WITH U. S. OIL COMPANIES FOR IN- SERVICE TRAINING IN U. S. MOST REACTIONS WERE UNSYMPATHETIC TO FEYIDE' S REQUEST, WITH STRESS ON FOLLOWING POINTS: PROBLEM DOES NOT RATE HIGH ON COMPANIES' SCALE OF PRIORITIES; TRAINING IN U. S. IS NOT BEST WAY OF PREPARING NIGERIANS; MOST BELIEVE ARIQUITE LIKELY TO BE COUNTER- PRODUCTIVE; AND ( SOMEWHAT CONTRADICTIONARY TO PRECEDING TWO POINTS) TECHNOLOGY IS COMPANIES' TRUMP CARD AND SHOULD BE OFFERED ONLY AS QUID PRO QUO FOR IMPORTANT CONCESSION BY NIGERIANS.

ACTION: EMBASSY BELIEVES COMPANY REPS SIMPLY PARROTING WELL- DEVELOPED COMPANY POLICY FIXED BY THEIR HEAD- QUARTERS IN U. S.; THEREFORE, ONLY WAY TO CHANGE VIEWS WOULD BE THROUGH DEPARTMENTAL APPROACHES TO COMPANY PRINCIPALS AT U. S. HEADQUARTERS. END SUMMARY.  
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PAGE 02 LAGOS 05228 01 OF 02 271724 Z

2. OVER PAST MONTH EMBASSY HAS BEEN WORKING WITH OIL COMPANY REPS IN LAGOS GATHERING STATISTICS ON NUMBER OF NIGERIANS RECEIVING TRAINING IN U. S. ALTHOUGH DATA STILL INCOMPLETE (45 NIGERIANS IDENTIFIED AS HAVING

RECEIVED OR CONTINUING TO RECEIVE SPECIALIZED OIL SECTOR TRAINING IN U. S. DURING FIRST SIX MONTHS OF THIS CALENDAR YEAR), WE CONSIDERED THAT INFORMATION BASE SUFFICIENTLY WELL DEVELOPED FOR DISCUSSION OF FEYIDE' S PROBLEM WITH LEADERS OF AMERICAN OIL COMPANIES HERE. CONSEQUENTLY, ON JUNE 26 I HELD A TWO- HOUR MEETING AT MY RESIDENCE ( AS LEAST CONSPICUOUS PLACE FOR SUCH A GATHERING) WITH LUTTRELL OF MOBIL, MILLER OF GULF, HOELSCHER OF PHILLIPS, BOONE OF TEXACO AND DANIEL OF OCCIDENTAL. LATTER TWO ARE ACTING HEADS OF LOCAL OPERATIONS WHILE THEIR MANAGING DRECTORS ARE TEMPORARILY OUT OF COUNTRY.

3. SO THAT ALL PARTICIPANTS WOULD BE FULLY INFORMED OF TENOR AND STRENGTH OF FEYIDE' S PROTESTATION IN WASHINGTON, I GAVE THEM A FULL ACCOUNT OF REPORTS THAT EMBASSY HAS RECEIVED OF THIS VISIT AND OF ITS CONSEQUENCES. I STRESSED THAT TOP USG OFFICIALS ARE ACTIVELY CONSIDERING WAYS TO RESPOND TO IT. THEIR IMMEDIATE AND UNANIMOUS REACTION WAS THAT SUCH TRAINING IS NOT NORMALLY GIVEN IN THE UNITED STATES BECAUSE COMPANIES HAVE FOUND IT PREFERABLE TO DO THIS TRAINING ABROAD. THEY STRESSED THAT THEIR NIGERIAN OPERATIONS ARE LARGE ENOUGH TO GIVE BROAD OPPORTUNITY FOR TRAINING AND YET SUFFICIENTLY COMPACT TO OFFER GOOD FACILITIES FOR SUCH TRAINING HERE. ONLY PHILLIPS ADMITTED TO HAVING PUT NIGERIAN GRADUATE ENGINEERS THROUGH ITS U. S. TRAINING COURSE. THREE WERE HIRED BY PHILLIPS AFTER COMPLETING UNIVERSITY TRAINING IN U. S. TWO HAVE ALREADY LEFT NIGERIA ( OR POSSIBLY REFUSED TO COME OUT HERE IN THE FIRST PLACE), SO ONLY ONE IS ACTUALLY STILL SERVING HERE. EMBASSY KNOWS THAT HE IS UNHAPPY AND IS LOOKING TOWARD DAY WHEN HE CAN RETURN TO U. S. OR TO VENEZUELA, WHERE HE RECEIVED PART OF HIS IN- SERVICE TRAINING.

4. OVER PAST 18 MONTHS IN CONTINUING TALKS WITH  
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PAGE 03 LAGOS 05228 01 OF 02 271724 Z

COMPANIES ABOUT TRAINING PROGRAMS IT HAS BECOME CLEAR TO EMBASSY THAT THEIR POLICY AGAINST EXTENDED U. S. TRAINING FOR NIGERIANS IS RATHER FIRM. ON ONE OCCASION WHEN WE INQUIRED OF THE DIRECTOR OF PERSONNEL ( A NIGERIAN) AT GULF ABOUT NUMBERS OF NIGERIANS TRAINING IN U. S., HIS RESPONSE WAS: " VERY FEW, IF ANY, BECAUSE IT IS AGAINST COMPANY POLICY TO TRAIN NIGERIANS OUTSIDE OF NIGERIA." AS MATTER OF FACT, GULF SEEMS TO BE SUCCESSFUL IN FOLLOWING ITS OWN POLICY CLOSELY BECAUSE OF 45 NIGERIANS WE IDENTIFIED AS TRAINING IN U. S. DURING THIS YEAR ONLY ONE SPONSORED BY GULF.

5. MAIN TECHNICAL REASONS ADVANCED BY THE COMPANY REPRESENTATIVES AGAINST IN- SERVICE TRAINING IN THE UNITED

STATES ARE:

A. ALL COMPANY TRAINING PROGRAMS FOR UNIVERSITY GRADUATES INVOLVE SIX MONTHS TO A YEAR OF FIELD WORK WHICH ENTAILS HARD PHYSICAL LABOR, INCLUDING SERVICE AS "ROUSTABOUTS" AND "ROUGHNECKS;" COMPANIES DOUBT THAT NIGERIAN GRADS WOULD TOLERATE THIS TYPE OF WORK.

B. IN U. S. TRAINING PROGRAM IT IS NECESSARY FOR TRAINEES TO "SCRAMBLE" TO GET WORTHWHILE RESULTS. COMPANIES FEEL THAT NIGERIANS REGARD TRAINING AS THEIR RIGHT AND WOULD RESIST SCRAMBLING; CONSEQUENTLY THEY COULD WELL BE DISAPPOINTED WITH PROGRESS.

6. GROUP EXPLORED IN SUMMARY FASHION POSSIBILITY OF DOING TRAINING THROUGH UNIVERSITIES OR BY A COMBINATION OF SHORT- TERM COURSES OFFERED BY MANY DIFFERENT PROFESSIONAL TRAINING ORGANIZATIONS IN THE UNITED STATES. CONSENSUS WAS THAT FEYIDE' S TERMS OF REFERENCE, WHICH EMPHASIZE TRAINING WITHIN COMPANIES, WOULD RULE OUT SUCH APPROACHES.

7. IN SPITE OF GENERALLY NEGATIVE ATTITUDE GROUP DID MANAGE TO DEVELOP SOME EXPLORATION OF POSSIBLE ALTERNATIVES TO FULL IN- SERVICE COMPANY TRAINING IN U. S. WHICH WOULD STILL BE, AT LEAST IN PART, DIRECTLY RESPONSIVE TO MAIN THRUST OF FEYIDE REQUEST. WE CONSIDERED POS-  
CONFIDENTIAL

PAGE 04 LAGOS 05228 01 OF 02 271724 Z

SIBILITY OF SETTING UP A SPECIAL PROGRAM FOR TRAINING IN U. S. OF 20 NIGERIANS FOR A PERIOD OF A YEAR OR 18 MONTHS, WHICH WOULD BE JOINTLY SPONSORED BY THE U. S. COMPANIES IN NIGERIA. TO ORGANIZE SUCH A PROGRAM THE GROUP THOUGHT IT WOULD PROBABLY BE NECESSARY TO HAVE THE PROGRAM MANAGED BY A PROFESSIONAL TRAINING ORGANIZATION SUCH AS PRESTON MOORE, A. D. LITTLE OR POSSIBLY THE AMERICAN PETROLEUM INSTITUTE. THE PROGRAM WOULD INVOLVE CLASSROOM WORK IN WHICH TRAINEES WOULD BE KEPT TOGETHER; AN EQUAL AMOUNT OF TIME WOULD BE DEVOTED TO STAGES OF WORK AT THE PARTICIPATING COMPANIES DURING WHICH TRAINEES WOULD BE DIVIDED INTO SUB- GROUPS, EACH OF WHICH WOULD HAVE TO BE ACCOMPANIED BY A COORDINATOR FROM CENTRAL TRAINING ORGANIZATION. THE PHILLIPS REPRESENTATIVE INDICATED THAT HIS COMPANY, IN CONJUNCTION WITH AGIP AND THE FMG, RUNS SUCH WORK- STUDY PROGRAM ON A LIMITED SCALE AT WARRI. TRAINING IS CONDUCTED LARGELY BY PROFESSIONAL TRAINERS BROUGHT IN FROM EUROPE. HE WAS THE ONLY ONE TO SHOW ANY INTEREST IN FOLLOWING UP ON THIS CONCEPT TO SEE WHETHER IT COULD BE ORGANIZED IN THE UNITED STATES.

CONFIDENTIAL

PAGE 01 LAGOS 05228 02 OF 02 271823 Z

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ACTION AF-18

INFO OCT-01 ADP-00 CU-04 AID-20 EB-11 TRSE-00 INT-08

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C O N F I D E N T I A L SECTION 2 OF 2 LAGOS 5228

8. GULF REPRESENTATIVES FELT THAT ANYTHING SHORT OF FULL IN- SERVICE TRAINING WOULD BE UNACCEPTABLE TO FEYIDE. HE BELIEVED THAT WHAT WE REALLY HAD TO CONSIDER WAS WHETHER COMPANIES SHOULD MAKE AN EXCEPTION OF THEIR POLICY FOR NIGERIANS. HE WAS WILLING TO PUT THIS QUESTION TO HIS HEADQUARTERS BUT WITHOUT MUCH ENTHUSIASM. AN EMBASSY OFFICER WONDERED WHETHER COMPANIES MIGHT CONSIDER DOING SOME IN- SERVICE TRAINING WITH VERY SMALL NUMBERS ON A TRIAL BASIS. AT THIS JUNCTURE THE PHILIPS REPRESENTATIVE SAID THAT WHILE HIS COMPANY COULD NOT TAKE 20 PEOPLE, WHICH SEEMS TO BE FEYIDE'S MINIMUM SIZE GROUP, HE WAS SURE THEY COULD TAKE TWO OR THREE GRADUATE ENGINEERS AND GEOLOGISTS AND PUT THEM THROUGH THEIR REGULAR PROFESSIONAL ENTRANCE TRAINING COURSE ( ONE TO TWO YEARS). THIS OFFER MOVED MOBIL REP TO REVEAL DEPTH OF HIS OPPOSITION. HE SAID THAT IN STRICTLY BUSINESS TERMS IT SIMPLY WAS NOT A GOOD DEAL FOR MOBIL TO OFFER SUCH TRAINING. THEY WOULD BE GIVING AWAY A LOT FOR VERY UNCERTAIN RETURNS. SUCH AN IMPORTANT QUID REQUIRED A VERY FIRM AND MEASURABLE QUO. TECHNOLOGY IN HIS VIEW IS A TRUMP CARD FOR THE COMPANIES AND SHOULD NOT BE YIELDED UP EASILY THROUGH TRAINING PROGRAMS. HE ADDED THAT HIS COMPANY HAS BEEN AWARE OF FEYIDE'S DESIRES FOR THIS KIND OF TRAINING FOR AT LEAST TWO YEARS AND NEW YORK HAD SET THE NEGATIVE TONE OF THE REPLY SOME 18 MONTHS AGO. HE JUST DOES NOT SHARE USG'S VIEW OF URGENCY OR PRIORITY OF THIS PROBLEM. HIS COMPANY SEES HIGHER PRIORITIES IN OTHER PARTS OF ITS PROGRAM HERE.

CONFIDENTIAL

PAGE 02 LAGOS 05228 02 OF 02 271823 Z

HE ADDED THAT WHEN PARTICIPATION COME TO MOBIL IN THE NEXT FEW MONTHS THE FMG WILL THEN BE A PARTNER IN MOBIL'S TRAINING PROGRAMS. HE IMPLIED THAT THESE WOULD STILL BE DONE IN NIGERIA, NOT IN THE U. S.

9. WITH THE EXCEPTION OF PHILIPS, THE COMPANY REPS CLEARLY DID NOT BELIEVE THAT EITHER THE U. S. AS A COUNTRY OR THEIR OWN COMPANIES WERE SUFFERING BECAUSE OF FEYIDE' S INVIDIOUS COMPARISON OF U. S. EFFORTS WITH THOSE OF INDIA, FRANCE, THE USSR AND RUMANIA. IN COMPANIES' VIEW TRAINING ISSUE IS ONLY ONE CHIP IN A LARGE AND COMPLICATED GAME AND THEY JUST DO NOT SHARE U. S. VIEW OF ITS IMPORTANCE.

10. IN CLOSING OUT MEETING AFTER THIS IMPASSE BECAME SO CLEAR I EXPLAINED THAT WE WOULD SOON WANT TO TRANSMIT TO FEYIDE THE RESULTS OF OUR EXAMINATION INTO THE NUMBER OF NIGERIANS STUDYING IN THE U. S. AT THAT TIME THE QUESTION WILL CERTAINLY ARISE AS TO WHAT MORE WE MIGHT BE ABLE TO DO TO BE RESPONSIVE TO HIM. WE AGREED WITH THE COMPANIES TO KEEP IN TOUCH WITH EACH OTHER ABOUT THIS ISSUE. HOPE TO COMPLETE ASSEMBLY OF DATA ON NUMBER OF NIGERIANS TRAINING IN U. S. WITHIN A FEW DAYS AND WILL SEND SEPARATE CABLE ON THAT MATTER TO DEPARTMENT. HOWEVER, IT ALREADY CLEAR THAT TRAINING NOW BEING RECEIVED BY NIGERIANS IS NOT OF THE IN- SERVICE VARIETY WANTED BY FEYIDE.

11. COMMENT: FOUR POINTS SEEM WORTH STRESSING:

A. ALL THE COMPANY REPRESENTATIVES CAME UP THROUGH THE PRODUCTION SIDE OF THEIR OPERATIONS SO AT BEST THEY HAVE ONLY MODEST GRASP OF " OIL POLITICS." THEY SEEMED MAINLY TO BE REPEATING POLICY LINES DEVELOPED BY THEIR COMPANY HEADQUARTERS.

B. ALL COMPANY REPS GENUINELY SEEM TO BELIEVE THAT IN- SERVICE TRAINING IN THE UNITED STATES IS INHERENTLY A POOR WAY TO ACCOMPLISH TRAINING GOAL AND IS A RISKY APPROACH TO THE PROBLEM.

CONFIDENTIAL

PAGE 03 LAGOS 05228 02 OF 02 271823 Z

C. MOBIL REP' S REMARKS ON THE VALUE OF TECHNOLOGY REFLECTS THE WELL- KNOWN CONDITIONS IT PROBABLY WOULD BE AN IMPORTANT FACTOR, BUT WE DOUBT THAT IT IS APPLICABLE IN THIS CASE. WE DO NOT BELIEVE IN- SERVICE TRAINING PROGRAM FOR YOUNG UNIVERSITY GRADUATES, WHETHER AMERICAN OR NIGERIAN, WOULD PROVIDE ACCESS TO THE ANALYTICAL TECHNIQUES USED BY THE TOP ECHELONS OF OIL COMPANY MANAGEMENT IN REACHING FUNDAMENTAL DECISIONS.

D. PHILIPS IS RECEPTIVE AND SEEMINGLY WOULD PARTICIPATE EVEN WITHOUT THE OTHER OIL COMPANIES IN AN EFFORT TO RESPOND POSITIVELY TO FEYIDE. ( AS MATTER OF FACT, THE EMBASSY BELIEVES PHILIPS' GENERALLY FORTHCOMING ATTITUDE ON ALL OIL AND GAS MATTERS IS RECOGNIZED AND APPRECIATED

BY THE MINISTRY OF MINES AND POWER.)

12. RECOMMENDATION: BELIEVE THAT IF DEPARTMENT WANTS TO  
PURSUE SERIOUSLY EFFORT TO ENLARGE IN- SERVICE TRAINING  
OPPORTUNITIES TO NIGERIANS IN THE UNITED STATES THE  
NEXT STEPS WILL HAVE TO BE TAKEN BY THE DEPARTMENT  
VIS- A- VIS COMPANY HEADQUARTERS.  
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